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Montana Heritage Commission

Biennial Report
2003 & 2004

"Bringing the Past to Life"

Building Preservation & Stabilization
Education & Interpretation
Taking care of Artifacts
Special Events for our Visitors

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Executive Summary

Montana Heritage Commission Biennial Report - 2003-2004

Alder Gulch, a high mountain ravine located in Southwestern Montana about halfway between Ennis and Sheridan, has been occupied since the Fairweather party found gold there in 1863. Virginia City anchored eight other small towns that lined the gulch.

In 1997 the Montana State Legislature acquired 42 parcels of land, 248 buildings, hundreds of thousands of artifacts, and, by association, much of the lore and legend surrounding Virginia City and Nevada City. The Legislature created the Montana Heritage Preservation and Development Commission to oversee the purchased history, and, among other things, directed the Commission to prepare a biennial report.

Financial Activities

The Commission continues to seek dollars from many sources. Our earned revenue continues to increase. There is much goodwill surrounding the project and donors continue to feel positive about supporting our efforts. Income from filming and movies fluctuates each year, but we continue to field inquiries and interest remains high. Special events draw visitors to the towns and provide additional revenue. Volunteer labor helps us complete numerous tasks and saves the Commission hundreds of thousands of dollars. We have a growing membership program and receive support from these folks. We apply for grants whenever possible and currently have three that we are finishing up and seven that were recently applied for. The accommodations tax provides a basis for maintaining and operating the properties. Montanans registering their vehicles can voluntarily earmark 25 cents to the project. Federal assistance in the form of direct appropriations helps the building preservation program. Our fundraising partners at the Montana History Foundation continue to search for various ways to assist the project.

Three significant events affected our finances. The first was the nearly $1.8 million appropriation from Senator Conrad Burns earmarked for building preservation. We anticipate that these funds will be expended sometime near the end of 2006. Details as to how these dollars are used may be found on our website. The second event was the passage by the 58th Legislature (2003) of a bill that allowed members of the public to donate 25 cents to Virginia City when they register their motor vehicles. The third event was the addition of the Americorps workers to our already expansive volunteer program. In 2004 these volunteers provided more than $112,000 of free labor to the project. We hope to continue our association with the Americorps program in 2005 and beyond. The volunteer program totals for the year 2004 are impressive. In 2004 the State of Montana and the Virginia City project benefited immensely when 100 volunteers donated more than 17,000 hours for a value of more than $285,000 worth of labor. The total number of volunteers in 2004 was less than the 117 that helped us in 2003. However, the 2003 hours totaled only 4,085. More than 800 people have volunteered since 1997.

In spite of this positive news many significant challenges remain. We are making progress at chipping away the multi-million dollar backlog of deferred maintenance and infrastructure needs, but we have many years of hard work ahead of us. The progress made to date provides a solid base for the Commission to ultimately protect and preserve this important part of our history.

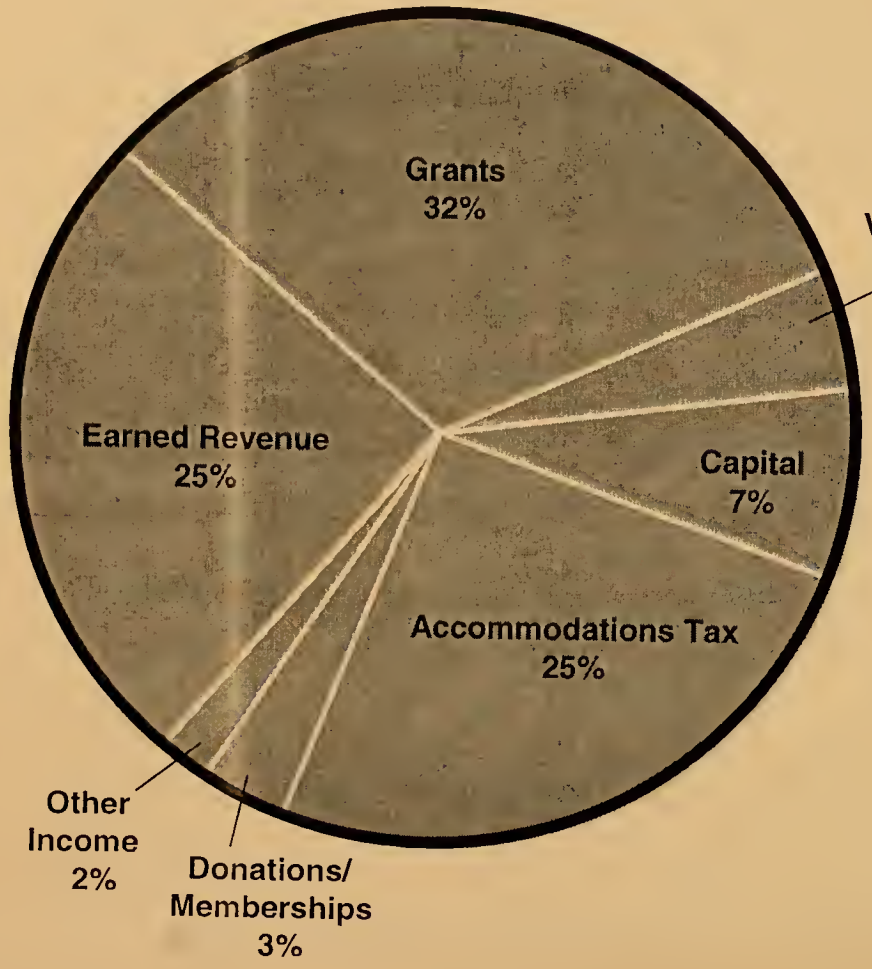
Charts depicting financial data appear on the reverse. Please refer to the full report or see www.montanaheritagecommission.com for details. Thank you for reading this report.

Montana Heritage Commission

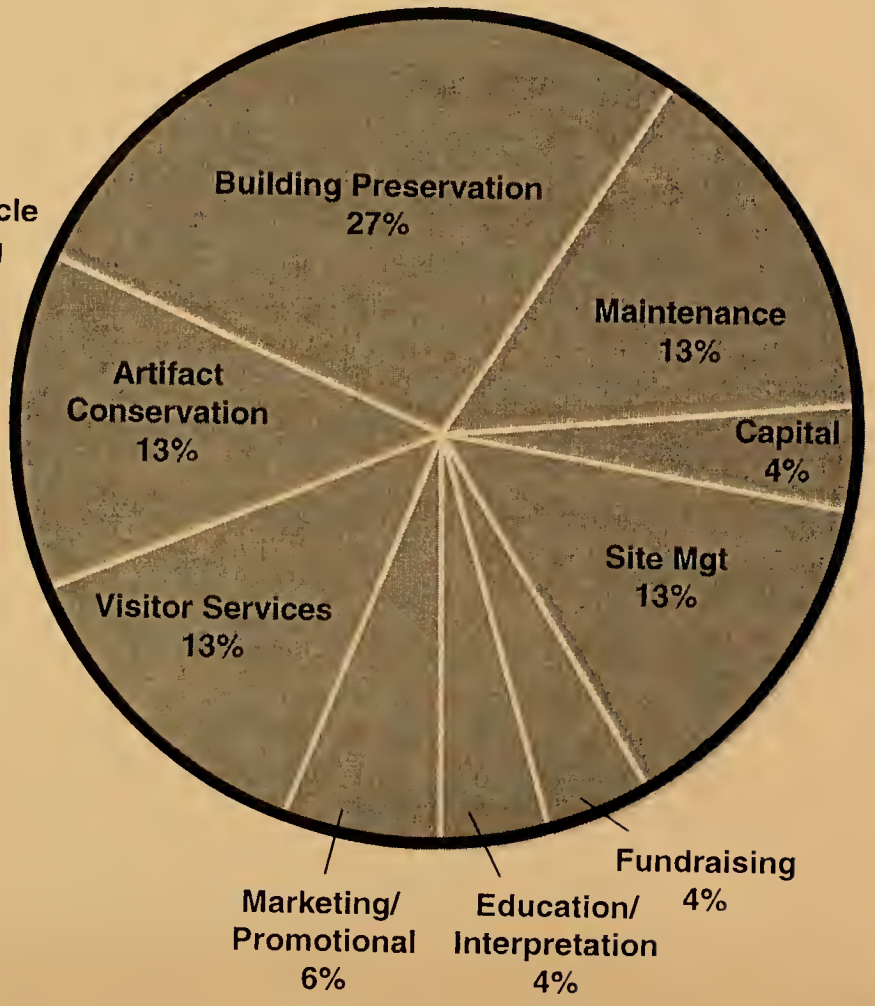
2003 & 2004

Average annual budget = $1,377,785

Funding



Expenditures



Introduction

Alder Gulch, a high mountain ravine located in Southwestern Montana about halfway between Ennis and Sheridan, has been occupied since the Fairweather party found gold there in 1863. At one time the biggest city between Minneapolis and San Francisco, Virginia City anchored the eight other small towns that lined the gulch in the miners' search for the elusive gold. Time has brought many changes to the gulch, including a period of depression that lasted for decades.

The arrival of Charles and Susan Bovey in the mid-20th century helped to begin moving the community towards a new future. In the mid-19th century the miners had mined the gold, and the merchants had "mined" the miners. The Bovey family filed a new mining claim – mining our history. In a more than 50-year relationship with Virginia City, the Charlie and Sue Bovey amassed and preserved a collection of buildings and artifacts that has few peers across the nation. In 1962 the federal government recognized the national and international significance of the collection when Virginia City was named a National Historic landmark.

This small, remote and isolated town high in the Rocky Mountains somehow has made connections that range as far as China, Mexico, Tasmania, and England. People from Africa, Asia, Europe, South America, and the "States" joined together to unknowingly build legends of vigilantes and banking and politics and road agents and mercantilism and social institutions that laid the state's cornerstones. Virginia City has provided the inspiration for numerous books and movies over the years. Look for us on the History Channel in June of 2005 in a one-hour show entitled Gold Rush Ghost Towns. In the 1860's a number of foresighted residents realized that there was something special going on and history was in the making. The Council Journal of the First Legislative Assembly records an act incorporating the Historical Society of Montana in Virginia City on December 28, 1864. It is the oldest historical society West of the Mississippi River. The keen observers of society wanted a record of their activities, and the Assembly gave them their wish.

In 1997 the Montana State Legislature acquired 42 parcels of land, 248 buildings, hundreds of thousands of artifacts, and by association much of the lore and legend surrounding these colorful towns. The Legislature created the Montana Heritage Preservation and Development Commission to oversee the purchased history, and, among other things, directed the Commission to write a periodic report. The 55th Legislature gave clear instructions: "Prior to the convening of each regular session, the commission shall report to the governor and the legislature, as provided in 5-11-210, concerning financial activities during the prior biennium, including the acquisition or sale of any assets." This report was produced in response to that directive, and will cover the calendar years of 2003 and 2004.

Financial Activities

The Commission continues to seek dollars from many sources.

- Our earned revenue continues to increase. This includes cash from sources such as the railroad, the Nevada City gate, the Music Hall, housing rentals, concessionaire payments, pasture lands, tours, gift store revenues, etc.

- There is much goodwill surrounding the project and donors continue to feel positive about supporting our efforts.
- Income from filming and movies fluctuates each year, but we continue to field inquiries and interest remains high.
- Special events draw visitors to the towns and provide additional revenue.
- Volunteer labor helps us complete numerous tasks and saves the Commission hundreds of thousands of dollars.
- We have a growing membership program and receive support from these folks.
- We apply for grants whenever possible and currently have three that we are finishing up and seven that were recently applied for.
- The accommodations tax provides a basis for maintaining and operating the properties.
- Montanans registering their vehicles can voluntarily earmark 25 cents to the project.
- Federal assistance in the form of direct appropriations helps the building preservation program.
- Our fundraising partners at the Montana History Foundation continue to search for various ways to assist the project.

We look under every stone and try to be creative in finding sources of income.

There were three significant issues that affected our financial activities over the last two years.

- The first was the nearly $1.8 million appropriation from Senator Conrad Burns earmarked for building preservation. These dollars currently fund our building preservation crew in Virginia City and allow critical stabilization efforts to move forward. We anticipate that these funds will be expended sometime near the end of 2006. Details as to how these dollars are used may be found on our website under Reports and Updates (see below).

- The second event was the passage by the 58th Legislature (2003) of a bill that allowed members of the public to donate 25 cents to Virginia City when they register their motor vehicles. This bill took effect on 1st January 2004. We have received more than $140,000 so far in 2004.

- The third event was the addition of the Americorps workers to our already expansive volunteer program. In 2004 these volunteers provided more than $112,000 of free labor to the project. We hope to continue our association with the Americorps program in 2005 and beyond. The volunteer program totals for the year 2004 are impressive. In 2004 the State of Montana and the Virginia City project benefited immensely when 100 volunteers donated more than 17,000 hours for a value of more than $285,000 worth of labor. The total number of volunteers in 2004 was less than the 117 that helped us in 2003. However, the 2003 hours totaled only 4,085. As the years go by the volunteer program will continue to grow and provide benefits for both the State of Montana and the individual volunteer. In total, more than 800 people have volunteered their services since 1997.

In spite of this good news many significant challenges remain. We are making good progress at chipping away the multi-million dollar backlog of deferred maintenance and infrastructure needs, but we have many years of hard work ahead of us. The progress made to date provides a solid base for the Commission to ultimately protect and preserve this important part of our history.

Financial Data

The following charts provide details as to income and expenditures for the calendar years 2003 and 2004. In addition, a chart depicting the history of the resort tax follows. The resort tax is collected on a seasonal basis in Virginia City and provides a basis for judging economic activity.

The project has had an increase in the amount of dollars available to invest in the buildings and artifacts, and steady increases in revenues. These have allowed the Commission to continue and in some cases accelerate preservation and protection efforts. The Virginia City resort tax record shows a gentle increase over time, with more than $2 million of economic activity occurring in recent years. Gradual increases in economic activity allow this tiny community to more readily be in control of their future, encourage thoughtful and inclusive discourse, and limit disruption and economic upheaval.

The Commission did not acquire additional real estate in 2003 and 2004.

For additional information and details about Commission activities I encourage you to access our website at www.montanaheritagecommission.com. On this site you will find numerous reports, meeting minutes, monthly updates of what we are up to, an explanation of our programs, and plans for the future.

We remain eager to respond to and answer questions, concerns, or comments you may have about the Commission and the projects. We are very optimistic about the future of Alder Gulch. We have the ability to become a world-class destination. This goal has the dual benefit of protecting our history and improving our economy.

Respectfully submitted,

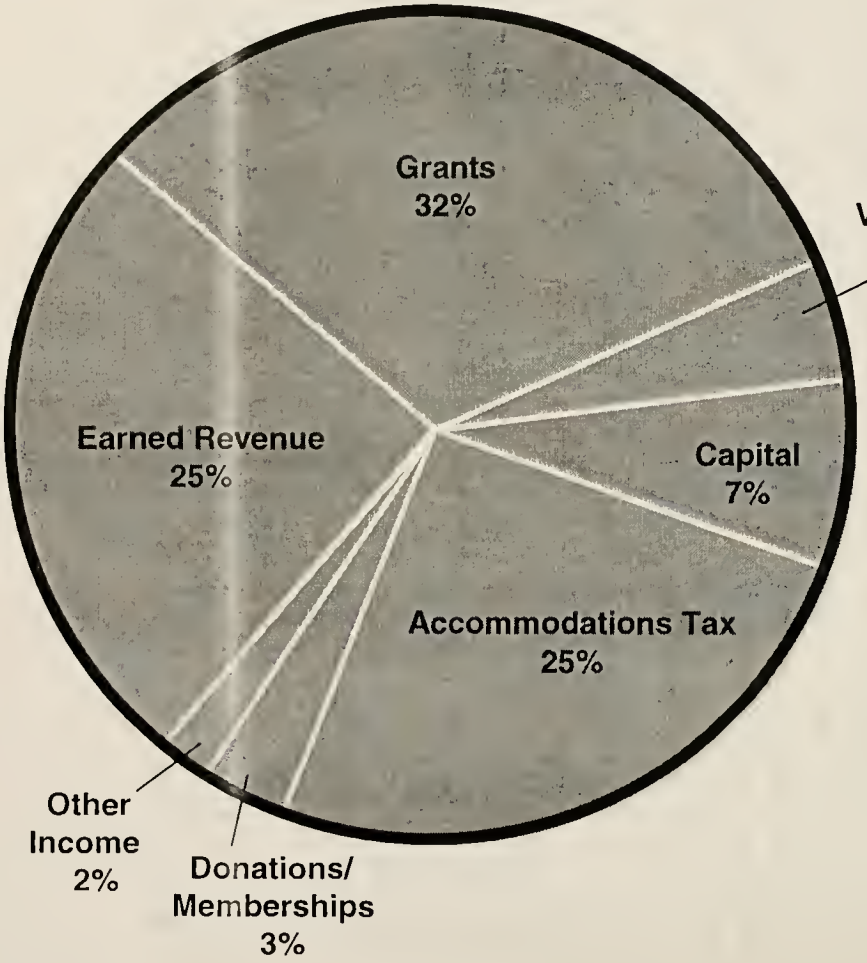
Jeffrey D. Tiberi
Executive Director
Montana Heritage Commission
15th December 2004

Montana Heritage Commission

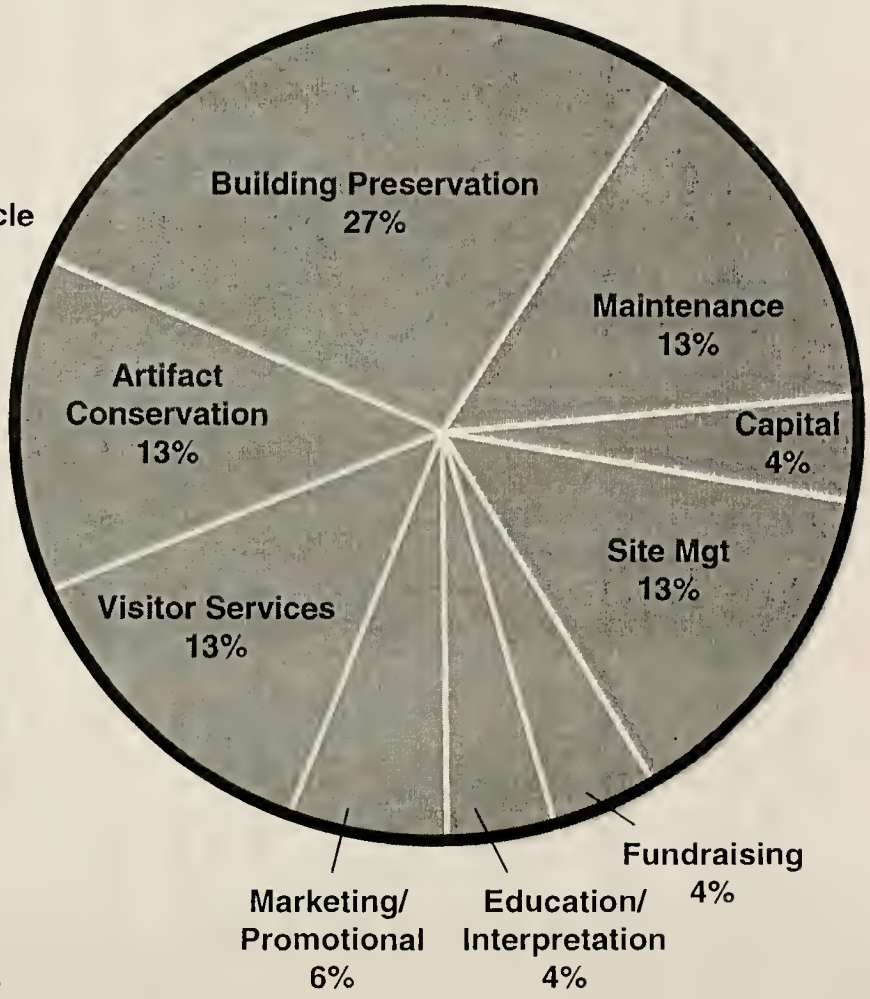
2003 & 2004

Average annual budget = $1,377,785

Funding

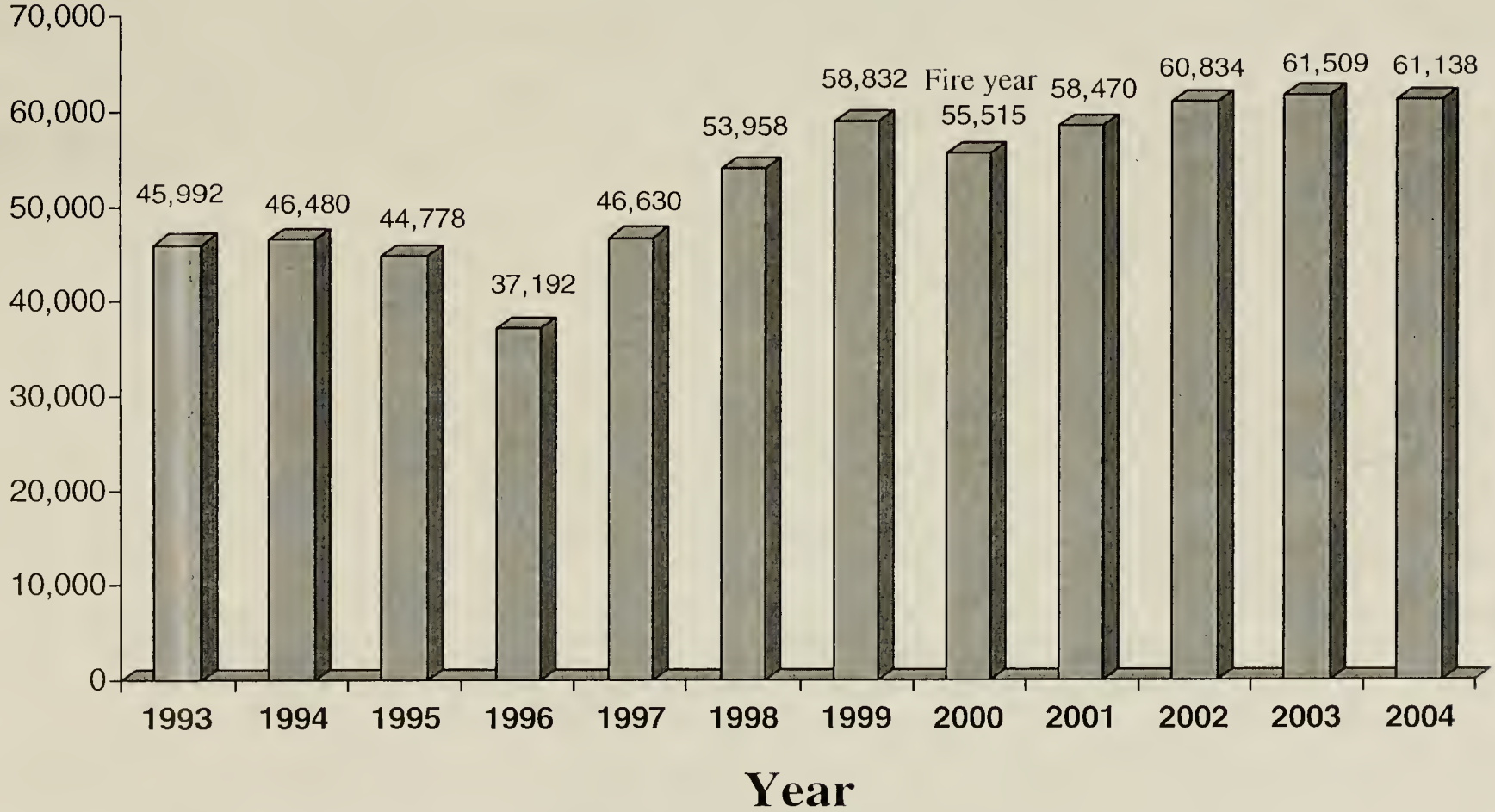


Expenditures



Virginia City Resort Tax

1993 – 2004



Note: The State of Montana acquired Bovey properties in 1997.

Montana Heritage Commission
December 2004

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